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REPORT
102-9

HOSTILE FIRE AND IMMINENT DANGER PAY FOR MEMBERS OF THE ARMED FORCES

JANUARY 31 (legislative day, JANUARY 3), 1991.—Ordered to be printed

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Mr. NUNN, from the Committee on Armed Services, submitted the following

REPORT

[To accompany S. 237]

INCREASING THE RATE OF SPECIAL PAY FOR DUTY SUBJECT TO HOSTILE FIRE OR IMMINENT DANGER

The Committee on Armed Services reports favorably S. 237, with amendments, to provide certain benefits for members of the armed forces performing service in connection with Operation Desert Shield, Operation Desert Storm, and for other purposes, and recommends that the bill do pass.

PURPOSE OF THE BILL

This bill would provide certain improvements in compensation for military personnel. These improvements are targeted primarily to active component personnel and National Guard and Reserve component personnel serving or activated for duty in Operation Desert Shield and Operation Desert Storm. The provisions of this bill complement the set of improvements for military personnel serving in Operation Desert Shield provided in the National Defense Authorization Act for Fiscal Year 1991.

COMMITTEE PROCEEDINGS

S. 237, introduced by Senator Nunn (for himself and others), to increase the rate of special pay for members of the armed forces for duty subject to hostile fire or imminent danger was considered favorably during the Committee's markup session on January 30, 1991.

49-010

S203-8

SPECIFIC PROVISIONS

Section 1 of this bill would increase the imminent danger and hostile fire pay for military personnel from $110.00 per month to $150.00 per month, retroactive to August 1, 1990.

The Committee notes that the last time this pay was increased was in 1985. The increase proposed in this section would adjust the previous amount to match inflation. The Committee believes that military personnel deserve this increase in recognition of the dangerous circumstances in which they are serving. This provision is directly attributable to the on-going war in the Persian Gulf and is therefore exempt from the spending caps of the Budget Summit Agreement.

Section 2 of this bill would make it clear that the expenditures in this bill are emergency expenditures resulting from Operation Desert Shield and Operation Desert Storm as provided in the budget summit agreement. Emergency expenditures, whether related to these operations or not, are exempt from the relevant sequestration provisions if they are designated as emergency expenditures in statute. Section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.), as amended by Public Law 101-508, provides for the treatment of emergency discretionary expenditures, including those related to Operation Desert Shield. Section 252(e) of that act provides for the treatment of emergency direct spending. Defense discretionary expenditures that exceed the statutory cap in the Budget Summit Agreement (enacted as the Omnibus Budget Reconciliation Act of 1990, Public Law 101-508) will trigger a sequester in order to keep defense discretionary expenditures at or below the cap. Expenses related to Operation Desert Shield are exempt from this cap, however. Any new direct spending legislation is subject to the pay-as-you-go sequester provisions of the budget agreement which require that spending legislation be deficit-neutral over a five-year period. Emergency expenditures are also exempt from this requirement.

The focus of this bill is on benefits for Desert Shield and Desert Storm personnel in fiscal year 1991, which are exempt under the budget agreement. While there are expenditures beyond fiscal year 1991 authorized in this legislation, the Committee notes that none of these expenditures will have the effect of increasing defense spending above the levels in the budget agreement once Operation Desert Shield/Desert Storm is over, because any expenditures will be funded out of the total amount appropriated for defense each year. Those appropriations are constrained by the caps in the budget agreement, and those caps are not affected by this legislation.

COMMITTEE ACTION

In accordance with the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, there is set forth below the committee vote to report a bill to provide certain benefits for members of the armed forces performing service in connection with Operation Desert Shield and Operation Desert Storm, and for other purposes.

In favor: Senators Nunn, Exon, Levin, Kennedy, Bingaman, Dixon, Glenn, Gore, Wirth, Shelby, Warner, Thurmond, Cohen, McCain, Wallop, Gorton, Lott, and Coats.

Opposed: None.

Vote: 18–0.

FISCAL DATA

Section 252 of the Legislative Reorganization Act of 1970 requires that the report accompanying each bill reported by a Senate committee contain certain information on five-year cost projections.

The letters received in compliance with this statutory requirement are shown below.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, January 29, 1991.

Hon. SAM NUNN,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for S. 237, a bill to increase the rate of special pay for duty subject to hostile fire or imminent danger, as introduced on January 17, 1991.

This bill would affect direct spending. Therefore, its costs would be subject to the pay-as-you-go procedures set up in Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 237.
2. Bill title: None.
3. Bill status: As introduced on January 17, 1991.
4. Bill purpose: This bill increases the rate of special pay received by members of the armed forces for duty subject to hostile fire or imminent danger.
5. Estimated cost to the Federal Government:

[By fiscal year, in millions of dollars]

	1991	1992	1993	1994	1995
Direct spending:					
Estimated budget authority	85	0	0	0	0
Estimated outlays	85	0	0	0	0
Authorizations of appropriations:					
Estimated authorization level	138	8	8	8	8
Estimated outlays	134	12	8	8	8
Bill total:					
Estimated BA/Authorization authorizations	223	8	8	8	8
Estimated outlays	219	12	8	8	8

Basis for Estimate:

This bill would increase the size of the monthly payment for individuals performing duty subject to hostile fire or imminent danger from $110 to $150. The increase would be retroactive to August 1, 1990.

To date, about 472,000 servicemembers have been deployed to the Persian Gulf area as part of Operation Desert Storm and are eligible for the existing payment. CBO estimates that the cost of providing the increased payment to the group for the period extending from August 1990 to the effective date of the legislation would be $80 million. This estimate assumes that effective date of the bill is March 1, 1991 and that the number of personnel deployed to the Persian Gulf stays at the mid-January level through that time. Because these payments would be made on the basis of duty already performed, they would constitute direct spending.

In addition, about 17,000 other military personnel stationed in the Phillipines and other locations currently receive monthly payments for duty subject to imminent danger. Providing the increased payment for these individuals from August 1, 1990 through March 1, 1991 would result in an additional $5 million in direct spending. Thus, the total direct spending resulting from S. 237 would be $85 million, all occurring in fiscal year 1991.

The increase in payments to Persian Gulf personnel for the remainder of fiscal year 1991 would total $133 million, assuming the number of troops deployed remains the same for the rest of the year. Payments to the other recipients would rise by $5 million for the remainder of 1991. These costs are not direct spending, but instead are subject to future appropriations.

CBO assumes that the number of personnel receiving imminent danger pay for activities not related to Operation Desert Storm will remain at the current level, resulting in added costs of $8 million annually. Due to great uncertainly regarding the future size of Operation Desert Storm, CBO has not included any increased costs for servicemembers being deployed to the Persian Gulf area beyond 1991 in its estimate. If the deployment continued at current levels beyond 1991, however, costs would increase by $228 million annually compared to the cost of providing the current payment.

6. Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. The benchmark against which changes in direct spending or receipts are measured is the baseline as described in Section 257 of the 1985 law. The direct spending costs of S. 237 as estimated above are not included in that baseline and would be subject to the pay-as-you-go procedures.

7. Estimated cost to State and local government: None.

8. Estimate comparison: None.

9. Previous CBO cost estimate: None.

10. Estimate prepared by: Amy Plapp.

11. Estimate approved by: James L. Blum, Assistant Director for Budget Analysis.

REGULATORY IMPACT

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires that a report on the regulatory impact of a bill be included in the report on the bill. The committee finds that there is no regulatory impact in the case of the bill reported by the committee.

CHANGES IN EXISTING LAW

Pursuant to the provisions of paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by certain portions of the bill have not been shown in this section of the report because, in the opinion of the committee, it is necessary to dispense with showing such changes in order to expedite the business of the Senate and reduce the expenditure of funds.

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